



General Assembly

February Session, 2006

Raised Bill No. 5675

LCO No. 2467

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Referred to Committee on General Law

Introduced by:
(GL)

AN ACT CONCERNING GASOLINE FRANCHISES AND THE RIGHT OF FIRST REFUSAL.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-133mm of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) When a [franchisor] producer or refiner intends to sell, transfer
4 or assign to another person the [franchisor's] producer's or refiner's
5 interest in a [single] marketing premises [that is not part of two or
6 more marketing premises marketed as a package to sell, transfer or
7 assign more than a single marketing premises,] that the franchisee has
8 occupied under a lease, sublease or other grant of authority to occupy
9 such premises, such [franchisor] producer or refiner shall first: (1)
10 Make a bona fide offer to sell, transfer or assign to the franchisee such
11 franchisor's interests in such [single] marketing premises; or (2) if
12 applicable, offer the franchisee a right of first refusal of a bona fide
13 offer made by another acceptable to the franchisor, to purchase such
14 franchisor's interest in such [single] marketing premises. The
15 franchisee shall have forty-five days in which to accept or reject such
16 offer made under subdivision (1) or (2) of this subsection.

17 (b) When a [franchisor sells, transfers or assigns the franchisor's
18 interest in two or more marketing premises marketed as a package to a
19 successor owner] franchisee does not elect to exercise its rights under
20 subsection (a) of this section, any change in the terms and conditions of
21 the franchise agreement in effect at the time of the sale, transfer or
22 assignment shall be by mutual agreement of the franchisee and the
23 successor owner. Such successor owner shall, at the expiration of the
24 franchise agreement in effect at the time of the sale, transfer or
25 assignment renew the franchise agreement of each franchisee for the
26 same number of years as the agreement in effect at the time of the sale,
27 transfer or assignment, provided such renewal shall not exceed five
28 years. Any changes to the franchise agreement shall be submitted in
29 good faith by the successor owner and negotiated in good faith by the
30 successor owner and franchisee. The successor owner shall not require
31 the franchisee to do the following: (1) Take part in promotional
32 campaigns of the successor owner's products; (2) meet sales quotas; (3)
33 sell any product at a price suggested by the successor owner or
34 supplier; (4) keep the premises open and operating during hours
35 which are documented by the franchisee to be unprofitable to the
36 franchisee or during the hours after [10] ten o'clock p.m. and prior to
37 [6] six o'clock a.m.; or (5) disclose to the successor owner or supplier
38 financial records of the operation of the franchise which are not related
39 or necessary to the franchisee's obligations under the franchise
40 agreement. Nothing in this subsection shall affect the successor
41 owner's ability to terminate, cancel or fail to renew a franchise
42 agreement for good cause shown.

43 (c) If such successor owner intends to sell, transfer or assign to
44 another person such successor owner's interest in the marketing
45 premises that the franchisee has occupied under a lease, sublease or
46 other grant of authority to occupy such premises, the new owner shall
47 first (1) make a bona fide offer to sell, transfer or assign to the
48 franchisee such successor owner's interest in the marketing premises;
49 or (2) if applicable, offer the franchisee a right of first refusal of a bona
50 fide offer made by another acceptable to the successor, to purchase

51 such successor owner's interest in such marketing premises. The
52 franchisee shall have forty-five days in which to accept or reject such
53 offer made under subdivision (1) or (2) of this subsection.

54 (d) For the purposes of this section, "marketing premises" means
55 premises which, under a franchise agreement, are to be employed by a
56 franchisee in connection with the sale, consignment or distribution of
57 motor fuel.

58 (e) The provisions of this section shall apply to any franchise
59 agreement in effect on or after July 1, 2000.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2006	42-133mm

Statement of Purpose:

To extend a right of first refusal to gasoline franchisees.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]